

## ***NEWS RELEASE***

FOR IMMEDIATE RELEASE  
JULY 15, 2004

CONTACT: GLENN BRIERE  
(617) 727-6200, EXT. 123

### **DeNUCCI URGES MORE AGGRESSIVE NON-TAX REVENUE COLLECTIONS**

State Auditor Joe DeNucci reported today that the state is owed more than \$1.4 billion in non-tax revenue – over half of which is considered uncollectible. The report said state government needs to do a better job of collecting past-due debts.

DeNucci's audit noted that at the end of fiscal 2003, \$760 million of the \$1.4 billion was estimated as uncollectible debt. This amount represents state agencies' best estimates of their future chances of collecting these receivables. Some departments have large balances of past-due receivables that are over seven years old, making it unlikely that they will ever be collected.

The largest non-tax revenue amount owed the state was \$535 million in unpaid child support payments in the Department of Revenue. Other receivables included \$392 million in the Division of Employment and Training (now the Division of Unemployment Assistance) for past-due unemployment insurance payments from employers and overpayments of unemployment compensation; \$60.4 million in overpayments to Department of Transitional Assistance clients; \$209 million in unpaid tuition and fees at state colleges and universities; \$21.6 million in the Department of Environmental Protection from programs associated with hazardous waste cleanup and clean air compliance; and \$8 million owed the State Lottery by sales agents.

DeNucci said agencies should consider the following recommendations to maximize collection of past-due revenues:

- More aggressive collection efforts that include focusing on current as well as past-due accounts.
- Stronger monitoring and accountability of agency collection efforts and performance.
- Improvements in the state's billing and collection procedures that include incentives for agencies to collect debts in a more timely fashion.

-more-

- Better utilization of the state's payment intercept program, which enables the state to deduct delinquent amounts from payments for services or through the tax system.
- More detailed and accurate accounting of accounts receivable.
- Possible implementation of penalties and interest charges on past-due accounts.

In a prior report, DeNucci identified \$657 million in non-tax revenue opportunities. DeNucci's recommendations in that report led to major improvements in the state's billing and collection practices, including the creation of a statewide centralized automated billing and collection system.

"The state has to do a better job of monitoring and collecting past-due accounts," concluded DeNucci. "This is especially important during difficult fiscal times when the state needs to maximize non-tax revenue collections to help support government programs."